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ABSTRACT

This U.S. House of Representatives bill (H.R. 2198), to be cited, if enacted, as the Intergovernmental Consumer Assistance Act, would add a new title to the Intergovernmental Cooperation Act of 1968: Title VII-Intergovernmental Cooperation with Respect to Consumer Assistance and Protection. The objective is to establish greater cooperation among the States, local governments, and the Federal Government in advancing the consumer interest through Federal grants to assist States and local governments in developing, establishing, and strengthening consumer protection offices. Sections of the bill deal with the functions of the advisory commission on intergovernmental relations, allotments to States, eligibility for assistance, consumer plans, and funding priorities. (WL)

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CE

95TH CONGRESS
1ST SESSION

H. R. 2198

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 19, 1977

Mr. ROSENTHAL (for himself, Mr. ADDABBO, Mr. BADILLO, Mr. BRODHEAD, Mr. CARNEY, Ms. CHISHOLM, Mr. CORMAN, Mr. COTTER, Mr. DELLUMS, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Mr. FORD of Tennessee, Mr. FRASER, Mr. GILMAN, Ms. HOLTZMAN, Mr. HOWARD, Mr. KOCH, Mr. LAGOMARSINO, Mr. MAZZOLI, Mr. MIKVA, Mr. MOAKLEY, Mr. MOFFETT, Mr. PEPPER, and Mr. PRICE) introduced the following bill; which was referred jointly to the Committees on Government Operations and Interstate and Foreign Commerce

A BILL

To amend the Intergovernmental Cooperation Act of 1968 to improve intergovernmental relationships between the United States and the States and municipalities, and the economy and efficiency of government, by providing Federal cooperation and assistance in the establishment and strengthening of State and local offices of consumer protection.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Intergovernmental Consumer Assistance Act".

CE 009 878

AMENDMENT TO INTERGOVERNMENTAL COOPERATION ACT OF 1968

SECTION 1. (a) The Intergovernmental Cooperation Act of 1968 is amended by adding at the end thereof the following new title:

"TITLE VII—INTERGOVERNMENTAL COOPERATION WITH RESPECT TO CONSUMER ASSISTANCE AND PROTECTION

"STATEMENT OF PURPOSE AND AUTHORIZATION OF APPROPRIATIONS

"SEC. 701. (a) (1) The Congress finds that protection of consumers' interests in America requires cooperation and coordination of, and a joint effort by, government at the Federal, State, and local levels; that a well-represented, protected, and knowledgeable consumer is essential to the efficient functioning of our free market economy; that protection of consumers is as legitimate and vital a function of government at all levels as protection of other special interest groups in our society such as workers, farmers, and businessmen and is essential to the public interest.

"(2) It is the purpose of this title, therefore, to encourage and improve cooperation and coordination between Federal agencies having consumer protection responsibilities and agencies of States and local governments concerned with

consumer protection matters, and to provide Federal financial assistance to the States and local governments for the establishment and strengthening of consumer protection offices of States and of local governments.

"(b) There is herewith authorized to be appropriated for the purposes of this title the sum of $5,000,000 for the fiscal year ending September 30, 1977; the sum of $7,500,- for the fiscal year ending September 30, 1978; and the sum of $9,000,000 for the fiscal year ending September 30, 1979. Sums so appropriated for any fiscal year shall not be available for expenditure after the end of such fiscal year.

"DEFINITIONS

"SEC. 702. For the purposes of this title—

"(1) The term 'State' means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico and any possession.

"(2) The term 'possession' means Guam, American Samoa, the Virgin Islands, and the Canal Zone.

"(3) The term 'consumer protection' means any program or activity designed to assist consumers and reasonably to protect, represent, educate, or inform consumers against unlawful, deceptive, misleading, unfair or sharp practices, or against any other practices in the marketplace which are inimical to or tend to disadvantage consumers.

"(4) The term 'consumer plan' means a plan described in section 707 (a).

"(5) The term 'consumer protection office' means an agency of a State or of a unit of general local government (or a public or private nonprofit agency or organization established or designated by a State or a unit of general local government) the purpose of which is to provide consumer protection services to the public.

"(6) The term 'Secretary' means the Secretary of Health, Education, and Welfare.

"INTERGOVERNMENTAL PROGRAM OF COOPERATION AND ASSISTANCE FOR CONSUMER PROTECTION

"SEC. 703. (a) For the purpose of establishing greater cooperation among the Staes, local governments, and the Federal Government in advancing the consumer interest in America and for the purpose of assisting States and local governments in developing, establishing, and strengthening consumer protection offices, the Secretary shall make grants pursuant to the provisions of this title.

"(b) The Secretary may promulgate such rules as may be necessary to carry out the functions vested in him by this title.

"FUNCTIONS OF ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

"SEC. 704. Upon request of the Secretary, the Advisory Commission on Intergovernmental Relations shall assist the Secretary in carrying out the purposes of this title, by performing the following functions:

"(1) developing and compiling information on the nature of the organization and activities of consumer protection offices and making that information available to the Secretary and to interested States and local governments;

"(2) studying and evaluating the effectiveness of the organization, activities, and programs of such consumer protection offices and making recommendations to the Secretary as to how such offices can be made more efficient and successful;

"(3) studying and reporting to the Secretary on how State consumer protection offices and Federal departments and agencies having consumer protection responsibilities can more effectively cooperate one with the other in their mutual effort to promote the interests of consumers in the United States.

"ALLOTMENTS TO STATES

"SEC. 705. (a) (1) From the sums appropriated under section 701 (b), the Secretary shall allot to each possession $10,000 for the fiscal year ending September 30, 1977, and for each of the two succeeding fiscal years, and shall allot to year ending September 30, 1977, $75,000 for the fiscal year ending September 30, 1978, and $90,000 for the fiscal year ending September 30, 1979.

June 30, 1977.

"(2) In addition to the sums allotted to the States and possessions under paragraph (1) of this subsection for a fiscal year, the Secretary shall allot to each State (other than a possession) from the remainder of the sums appropriated for such fiscal year, an amount which bears the same ratio to such remainder as the population of the State bears to the population of all the States (excluding the possessions). The population of a State and of all the States (excluding the possessions) shall be determined on the basis of the most recent satisfactory data available from the Census Bureau of the Department of Commerce.

"(b) The amount of any State's allotment under this section not expended in any fiscal year will be available within that same fiscal year for reallotment, from time to time and in such manner as may be prescribed by regulation, to other States in proportion to the original allotments

to such States under subsection (a) of this section, but with such proportionate amount for any such other States being reduced to the extent it exceeds the sum that such State needs for such year; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced.

"ELIGIBILITY FOR ASSISTANCE

"SEC. 706. Subject to section 708(a)(2), the allotment of a State under section 705 shall be available to any consumer protection office of such State or of a unit of general local government within such State for the purpose of carrying out the consumer plan submitted by such consumer protection office, if—

"(1) the consumer protection office has been established or designated by such State or unit of general local government for the purpose of carrying out a consumer plan in such State or unit of general local government;

"(2) the consumer protection office has prepared and submitted a consumer plan for such State or unit of general local government which the Secretary has determined meets the requirements for a consumer plan under section 707(a) of this Act; and

"(3) in the case of any State or unit of general local government which has an operating consumer pro-

tection office at the date of enactment of this title, Federal funds will not supplant State and local funds but will supplement and expand activities and efforts of existing consumer protection offices.

"CONSUMER PLANS

"SEC. 707. (a) The consumer plan shall be submitted by a consumer protection office for a State or unit of general local government, shall be in such form and in such detail as may be required by regulations of the Secretary, and shall—

"(1) set forth a detailed and comprehensive consumer protection program, which may include but need not be limited to the following:

"(A) providing consumer information and education programs;

"(B) conducting research, studies, and analyses of consumer matters;

"(C) representing consumer interests before administrative and regulatory agencies and legislative groups;

"(D) studying the problems of the low-income consumer;

"(E) serving as consumer complaint centers;

"(F) providing counseling including legal serv-

ices to the individual consumer on his particular problem;

"(G) mediating disputes between complaining consumers and producers or retailers;

"(H) in the case of a plan submitted by a consumer protection office which is a law-enforcement agency of a State or local government, receiving and investigating complaints and initiating investigations of frauds and unfair practices against consumers.

"(2) provide for cooperation to the greatest possible extent with Federal departments and agencies having major consumer protection responsibilties and with other State and local consumer protection offices and officials concerned with consumer matters;

"(3) set forth such fiscal controls, accounting procedures and recordkeeping practices, and promise access thereto, as may be necessary to assure proper disbursement of and accounting for Federal funds paid to such consumer protection office;

"(4) provide that Federal funds will be used only for the purpose of carrying out the plan;

"(5) prescribe the Federal share of the cost of carrying out the plan, which shall not exceed 75 per centum; and

"(6) provide for compliance with other regulations of the Secretary designed to effectuate the purposes of this title.

"(b) The Secretary shall approve any consumer plan and any modification thereof which meets the requirements of this title.

"(c) The Secretary shall have authority, in accordance with section 709 of this Act, to withhold payment of Federal funds from consumer protection offices which do not substantially comply with the approved consumer plan or with the provisions of this title or regulations promulgated thereunder.

"PAYMENT; FUNDING PRIORITIES

"SEC. 708. (a) (1) Payment under this title shall be made to consumer protection offices which are eligible for Federal assistance under section 706.

"(2) If the Secretary determines that the funds necessary to carry out in a fiscal year all of the consumer plans which have been submitted by consumer protection offices in a State and approved under section 707 exceed the allotment for such State for such fiscal year under section 705, then he shall make payments from such State's allotment to consumer protection offices in such State in accordance with priorities which he shall establish by regulation.

"(b) Payments from a State's allotment with respect to

the cost of effectuating any consumer plan submitted by a consumer protection office in such State shall not exceed the Federal share (determined under section 707 (a) (5)) of such cost for the fiscal year.

"(c) No payments shall be made to any consumer protection office for any fiscal year unless the Secretary finds that the office will have available during that fiscal year for expenditure from non-Federal sources, an amount equal to the non-Federal share of the cost of effectuating the consumer plan submitted by such office.

"(d) Payments to an office of consumer protection may be made in installments and in advance or by way of reimbursement with necessary adjustments on account of overpayments or underpayments.

"ADMINISTRATION OF CONSUMER PLANS

"SEC. 709. (a) The Secretary shall not make any final determination that an office of consumer protection is not eligible for Federal assistance under this title without first affording reasonable notice and opportunity for the submission of oral or written data views, or argument under procedures to be established by him.

"(b) Whenever the Secretary finds—

"(1) that a consumer plan has been so changed that it fails to comply with the requirements of this title; or

"(2) that there has been a failure to properly im-

plement and administer a consumer plan approved under section 707 (b) or to comply with the provisions of this title or any regulations promulgated thereunder,

the Secretary shall notify the consumer protection office which submitted such plan that it is no longer eligible to participate in the program established by this title until the Secretary is satisfied that there is no longer any such failure.

"ANNUAL REPORT

"SEC. 710. The Secretary shall prepare and submit, as part of the annual report of the Department of Health, Education, and Welfare, a detailed report on the administration of this title, including an evaluation of the impact of Federal financial assistance upon the improvement of consumer protection programs in the United States and its effect on the nature and extent of cooperation between the Federal Government and the States and localities in the consumer protection field."

(b) Section 102 of the Intergovernmental Cooperation Act of 1968 is amended by striking out "SEC. 102. The" and inserting in lieu thereof "SEC. 102. Except for purposes of title VII, the".

SHORT TITLE

SEC. 2. This Act may be cited as the "Intergovernmental Consumer Assistance and Protection Act".

95TH CONGRESS
1ST SESSION

H. R. 2198

A BILL

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By Mr. ROSENTHAL, Mr. ADDABBO, Mr. BADILLO, Mr. BRODHEAD, Mr. CARNEY, Ms. CHISHOLM, Mr. CORMAN, Mr. COTTER, Mr. DELLUMS, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Mr. FORD of Tennessee, Mr. FRASER, Mr. GILMAN, Ms. HOLTZMAN, Mr. HOWARD, Mr. KOCH, Mr. LAGOMARSINO, Mr. MAZZOLI, Mr. MIKVA, Mr. MOAKLEY, Mr. MOFFETT, Mr. PEPPER, and Mr. PRICE

JANUARY 19, 1977

Referred jointly to the Committees on Government Operations and Interstate and Foreign Commerce